COUNTY OF KAUA'I, PLANNING DEPARTMENT 4444 RICE STREET, LIHUE, KAUAI, HAWAII 96766

MEMORANDUM

DATE: September 8, 2020

TO: Planning Commission

FROM: Clerk of the Commission

SUBJECT: 2nd Addition to the Planning Commission 9/8/2020 Agenda

F. HEARINGS AND PUBLIC COMMENT

2. New Agency Hearing

- a. Hanalei Commercial Company, Inc./Na Pali Brewing Company, LLC
 - 9. Letter (9/4/20) from Max W. J. Graham, Jr., Esq., transmitting the Archaeological Report.
 - 10. Testimony from Rayne Regush, W-KNA (9/7/20).

BELLES GRAHAM LLP

ATTORNEYS AT LAW

MAX W.J. GRAHAM, JR. JONATHAN J. CHUN IAN K. JUNG

Federal I.D. No. 99-0317663

WATUMULL PLAZA 4334 RICE STREET, SUITE 202 LIHUE, KAUAI, HAWAII 96766-1388

> TELEPHONE NO: (808) 245-4705 FACSIMILE NO: (808) 245-3277 E-MAIL: mail@kauai-law.com

> > September 4, 2020

OF COUNSEL

MICHAEL J. BELLES DAVID W. PROUDFOOT DONALD H. WILSON

<u>VIA EMAIL ONLY</u>

Mr. Ka'āina S. Hull Director of Planning Planning Department 4444 Rice Street, Suite A473 Lihue, Kauai, Hawaii 96766

Attention: Mr. Romio Idica

Re: Application For New Permits And Motion To Amend Master Permit

And 2006 Permit

In The Matter Of The Application Of HANALEI COMMERCIAL INC., a Hawaii corporation, and NA PALI BREWING COMPANY L.L.C., a Hawaii limited liability company, concerning property located at Hanalei, Halale'a, Kauai, Hawaii, identified by Kauai Tax Map Key Nos. (4) 5-5-009:008 and 009

Master Permit: Special Management Area Use Permit

SMA(U)-88-4, Use Permit U-88-25, Variance Permit V-88-6, and Class IV Zoning Permit

Z-IV-88-30

2006 Permit:

Special Management Area Use Permit SMA(U)-2006-1, Project Development Use Permit PDU-2006-1, and Class IV Zoning Permit

Z-IV-2006-1

New Permit:

Special Management Area Use Permit SMA(U)-2020-7, Class IV Zoning Permit Z-IV-2020-16, and Use Permit U-2020-13

Hanalei Commercial Center

Lot 17, Land Court Application No. 1160

Hanalei, Kauai, Hawaii

Kauai Tax Map Key No. (4) 5-5-009:008

Owner: Hanalei Commercial Inc. (Gaylord H. Wilcox, President)

Hanalei Brew Pub

R. P. 6461, L. C. Aw. 597

Hanalei, Kauai, Hawaii

Kauai Tax Map Key No. (4) 5-5-009:009

Owner: Hanalei Commercial Inc.

Lessee: Na Pali Brewing Company L.L.C.

(Kathleen W. Conant and Fred B. Conant, Members)

Mr. Ka'āina S. Hull Attention: Mr. Romio Idica September 4, 2020 Page 2

Dear Mr. Hull:

This office represents Hanalei Commercial Inc. and Na Pali Brewing Company L.L.C., the joint Applicants in this matter. I am transmitting, on their behalf, a copy of the Archaeological Field Inspection Report (June 2020) [Exhibit "F-12"] submitted to the State Historic Preservation Division on July 14, 2020.

Thank you very much for your assistance in this matter.

Sincerely yours,

BELLES GRAHAM LLP

Max W. J. Graham, Jr.

MWJG:jgm Enclosure

cc:

Mr. Gaylord Wilcox, w/encl. (via email only)

Mr. and Mrs. Blake Conant, w/encl. (via email only)

EXPLORATION ASSOCIATES LTD

Consulting Archaeology - Historic Preservation Issues - Cultural Impact Assessments - Genealogy Research-Land Use Planning - Construction - Project Management 3-2600 Kaumualii Hwy 1300 - #306 LIHUE, KAUAI, HI 96766 CELL: (808) 639-6695: Email: explorationassociates@outlook.com

Archaeological Field Inspection for Clearinghouse Application for SMA(U)-88-4, U-88-25, Z-IV-88-30 and V-88-6

5-5105 and 5-5105A Kuhio Hwy., Hanalei - Amend existing permits
Owner: Hanalei Commercial Inc.
Hanalei Ahupua 'a, Halelea District, Island of Kaua 'i
TMK: (4) 5-5-009:008, 009

Nancy McMahon, M.A., M.S.

lune 2020

Exploration Associates Ltd.'s (EAL) Nancy McMahon, M.A., M.S., Principal Investigator completed the field inspection under Hawai'i State Historic Preservation Division/Department of Land and Natural Resources (SHPD/DLNR) permit number 20-11 per Hawai'i Administrative Rules (HAR) Chapter 13-13-282. A review letter from the State Historic Preservation Division dated March 31, 2020 to the County of Kauai Public Work Department which should have been directed to the Planning Department, requested a field inspection be conducted on the subject parcel for the amended permits (Appendix A). At the request of Max Graham, Esq., agent for the property owner (Hanalei Commercial Inc.), EAL, conducted the archaeological field inspection.

The project proposes to include the construction of a new two-story commercial building (2,176 sq. ft.) on parcel 008 (Craft Brewery), increase the commercial parking in the East Parking Area within parcel 009, extend the configuration of the driveway within the East Parking Area and construction of a new concrete sidewalk and pedestrian bridge within parcel the East Parking Area located at 5-5105 and 5-5105A Kuhio Highway. Parcel 008 totals 3.985 acres and parcel 009 totals a 0.179-acre area.

Fieldwork involved systematic pedestrian survey of the entire parcel including the project area. All aspects of field work were photographed with a digital camera and copies of these photographs have been archived on the EAL computer network. An archaeological field inspection was conducted on June 10, 2020. Based on the field inspection and proposed grading plans (Figures 3-5), there are no historic properties within the brewery footprint. The Hanalei Elementary School originally built in 1926 (SIHP 50-30-03-09387/NRHP 90000344) was relocated and is now the Hanalei Commercial Center. The entrance to the property off Kaua'i Belt Road or Kuhio Highway (Belt Road SIHP 02-02334) has been already graded and leveled. The project area has been clear and planted in grass except for a few trees along the property boundaries. Visibility of the surface was excellent. Visible in the distance is the Hanalei Commercial Center and a portion of an irrigation ditch ("Auwai") (SIHP 50-30-03-400) which has a bridge over it and parking next to the 'auwai. There is no evidence of the remnants of a subsurface taro pond field ("Lo'i Field") (SIHP 50-30-03-401) within the project area as it is all grassed or part of the grasscrete parking area.

SHPD accepted on July 29, 1988, an archaeological survey report (Kennedy 1988) which included parcel 008. The archaeological survey report identified two historic properties, a buried



agricultural deposit consistent with taro pond field or lo'i cultivation (Site 50-30-03-401) and an irrigation ditch or 'auwai (Site 50-30-03-400). In addition, an archaeological data recovery report (Kennedy 1991) was approved on December 13, 1990 and the final was completed in May 1991. Analysis of organic materials collected from subsurface agricultural deposits yielded modem dates consistent with rice paddies dating to the early 20th century (Kennedy 1991). During the data recovery, a series of seventeen (17) trenches were dug between the 'auwai on the east and the western boundary of parcel 9. This subsurface testing and data recovery failed to uncover evidence of significant pre-historic or early historic use of the site. Based on the mitigation efforts previously taken, no further data recovery or other mitigation w necessary or required for: any remnants of the lo'i field (03-401) that may be located in the project area; or for the 'auwai (03-400)

In October 1994, SHPD requested soil core sampling be conducted prior to parking lot expansion associated with the Hanalei Center Complex to obtain additional subsurface data related to Site 50-30-03-401 (October 12, 1994; Log No. 12955, Doc No. 9410NM08). In October 1994, SHPD received a Paleoenvironmental Core Report (Athens 1994) documenting a 4.87-meter-deep core that indicated the only sediment present was beach sands. Based on these results, SHPD concurred that the proposed Hanalei Center parking lot improvements would have "no effect" on significant historic sites (October 25, 1994; Log No. 13012, Doc. No. 9410NM16). In addition, the Hanalei School building (Site 50-30-03-09387) was relocated to parcel 008. It is listed on both the Hawai'i and the National Register of Historic Places.

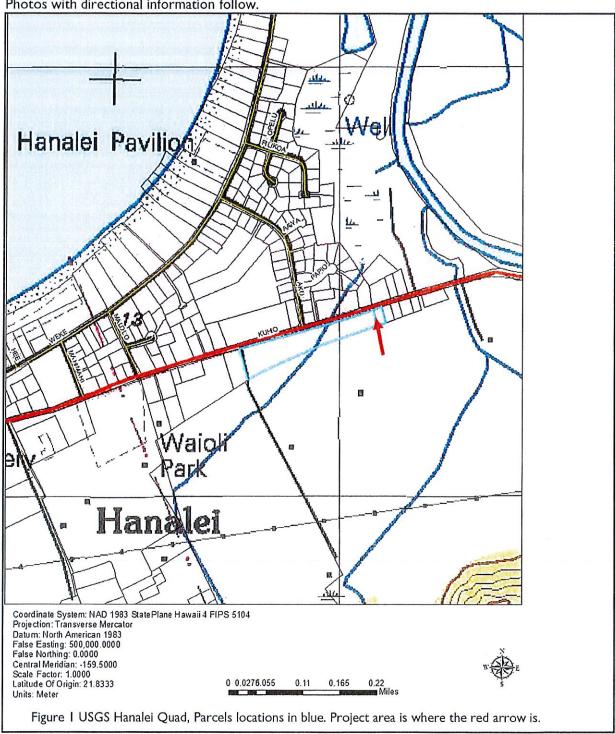
In 2006, the County of Kaua'i Planning Commission approved an amendment to the original permits which were Special Management Area Use Permit, SMA(U)-2006-1; Project Development Use, Permit PDU-2006-1; and Class IV Zoning Permit Z-IV-2006-1. The owners are proposing to continue further development of parcels 008 and 009. Currently on parcel 008 are seven buildings which are being used for commercial purposes, two parking areas used for the commercial center, and two single-family dwellings (1,266 sq. ft. and 1,213 sq. ft.) used for employee housing. Parcel 009 has no improvements.

The project will include: the addition of new parking spaces on parcel 8; the construction of a new sidewalk along Kuhio Highway on parcel 8; the construction of a new pedestrian bridge spanning the 'auwai (data recovery work [Kennedy 1991]did date this site); the extension of the existing driveway within parcel 8; and the construction of a Craft Brewery building, parking and an individual (aerobic) wastewater system on Parcel 9 (which will require excavations for the septic tank and leach field from 2 to 8 feet in depth). There is several existing dwellings adjacent to this parcel long Kuhio Highway (all with septic systems). No significant finds have been reported.

Based on the field inspection there will be no impact to the historic properties (historic roadway Belt Road SIHP 02-02334; Hanalei School SIHP 03-09387; and the 'auwai SIHP 03-401). There are setback rules for the County which dictate how far any structure can be from the property boundary. Recommendation: "No historic properties affected", since the 'auwai is still being preserved as well as the restored Hanalei Elementary School (03-09387)



Figure 6 shows the aerial of the parcel and the photo location map indicating the photo numbers. Photos with directional information follow.





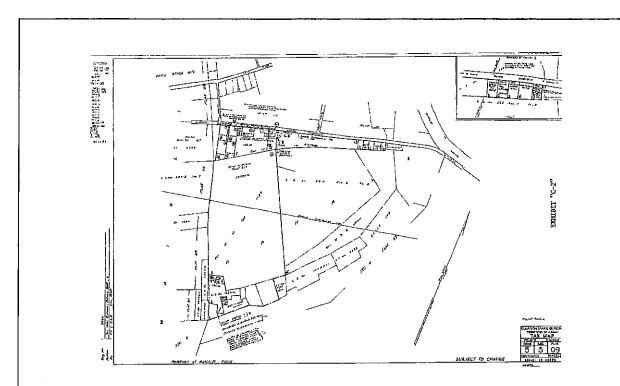


Figure 2 Tax Map Key, Project in pink for the brewery and yellow for the Hanalei Commerical Center. Inset shows the project area (40,000 s.f).

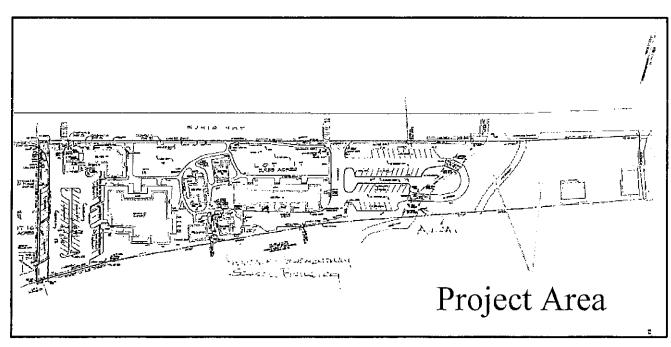


Figure 3 shows the current layout of the project area (40,000 s.f).

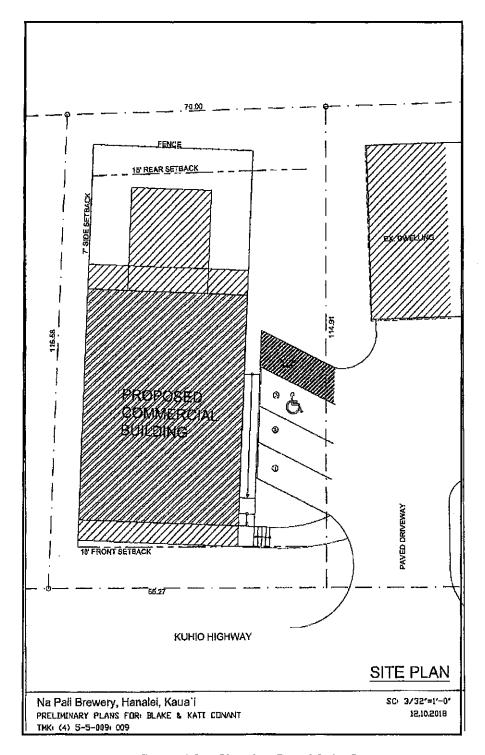
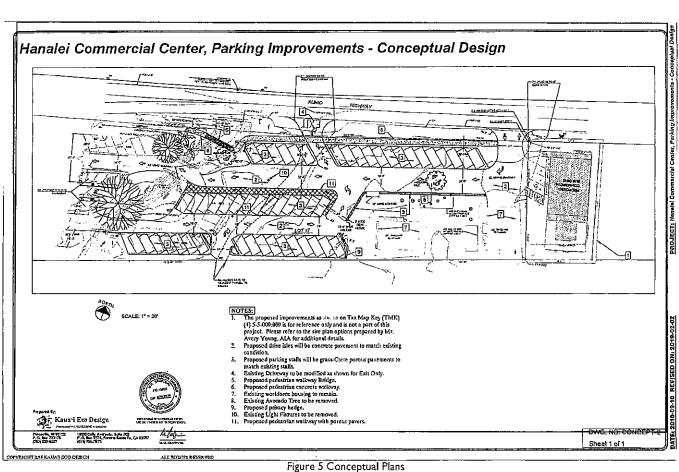


Figure 4 Site Plan for Parcel 9 the Brewery



Applicant's Name: <u>Hanalei Commercial InciNaPali Brewing</u> Project <u>: Field Inspection SMA(U)-88-4, U-88-25, Z-JV-88-30 and V-88-6, Amend</u> <u>5-5105 and 5-5105A Kuhio Highway, Hanalei</u>



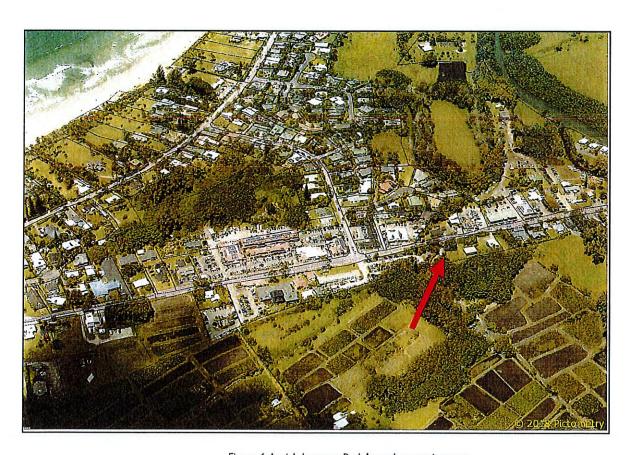


Figure 6 Aerial Imagery, Red Area show project area

Applicant's Name: Hanalei Commercial Inc/NaPali Brewing
Project: Field Inspection SMA(U)-88-4, U-88-25, Z-IV-88-30 and V-88-6, Amend
5-5105 and 5-5105A Kuhio Highway, Hanalei



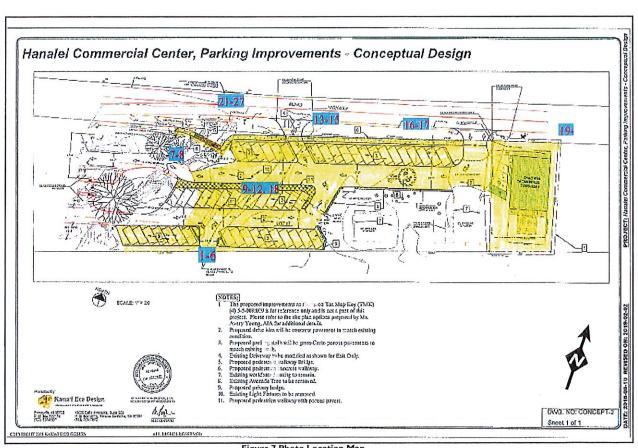
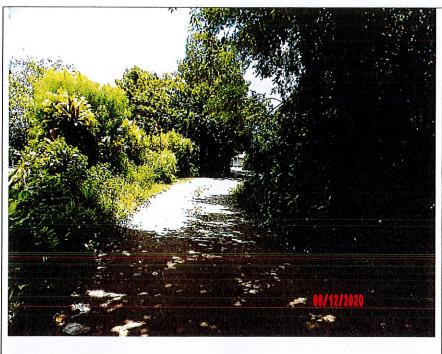


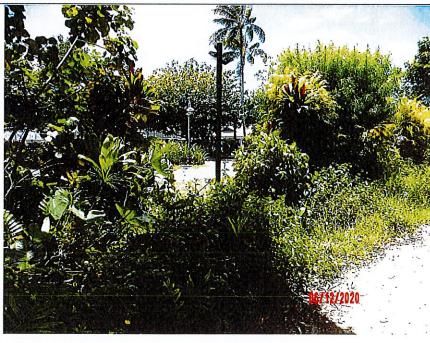
Figure 7 Photo Location Map

Arrow indicate: the approximate location where the photograph was taken.
Applicant's Name: dipalet Commercial InciNaPali Browing
Project: Field Inspection SMA(U)-88: 4: 1-88-25, Z-1V-88-30 and Y-88-4, Amend
5:5105 and 5:5105 A Kuhio Highway, Hanalei

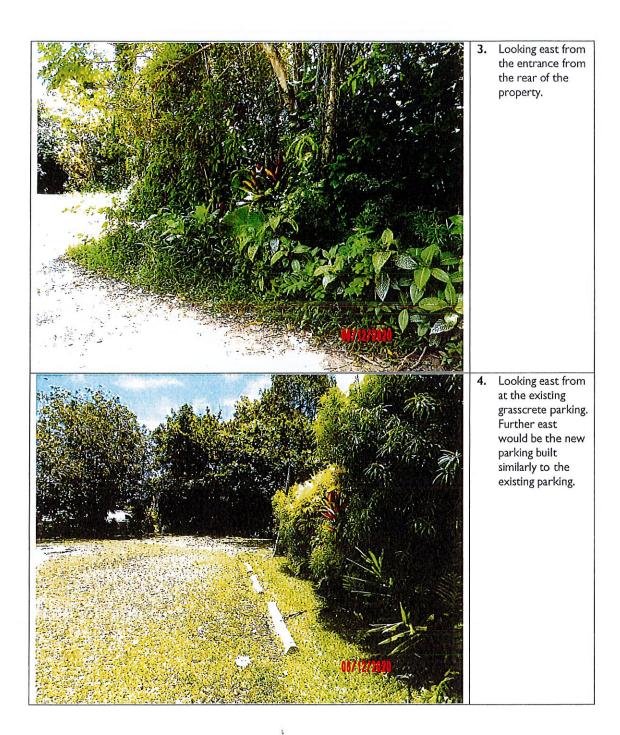


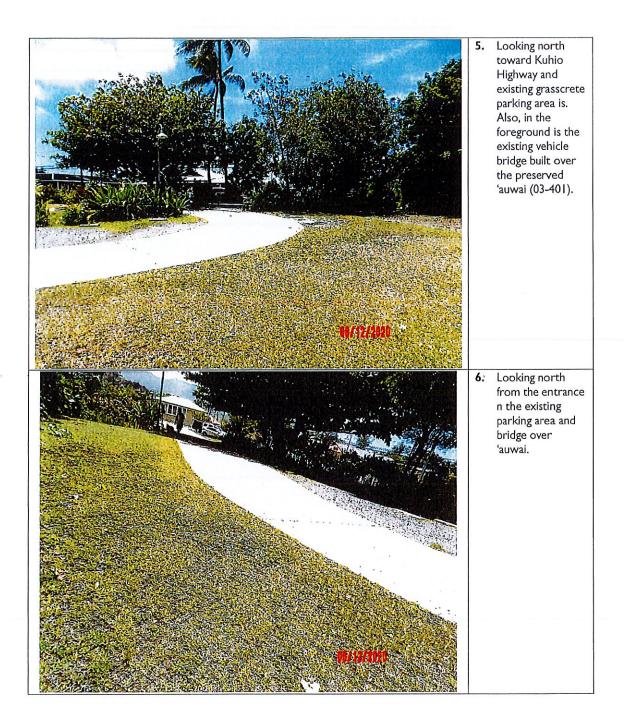


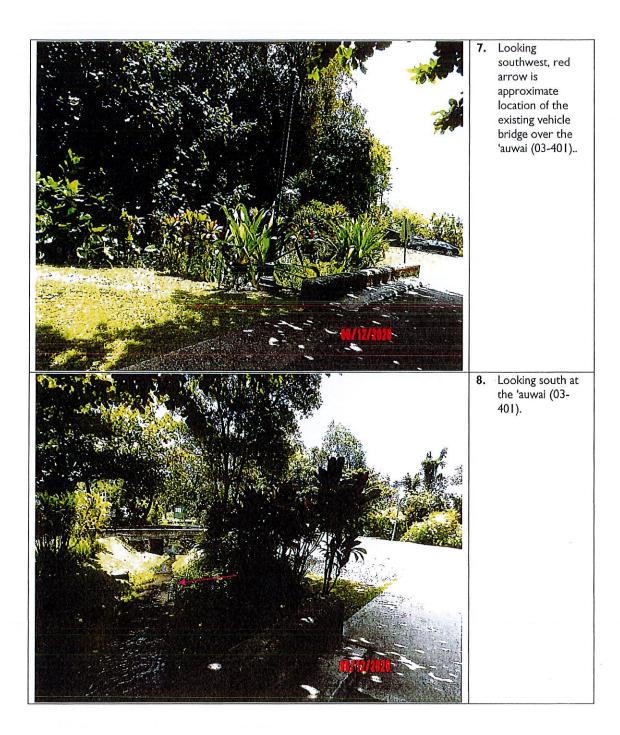
looking back at Kaua'i Belt Road or Kuhio Highway north from the end of the south property line.



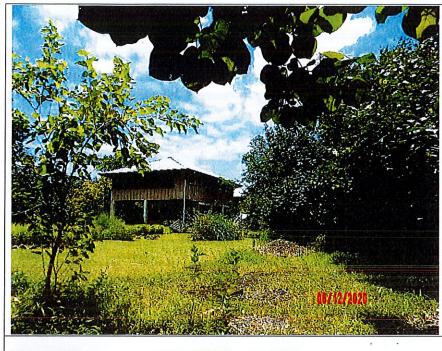
2. Looking northwest toward the existing parking lot.







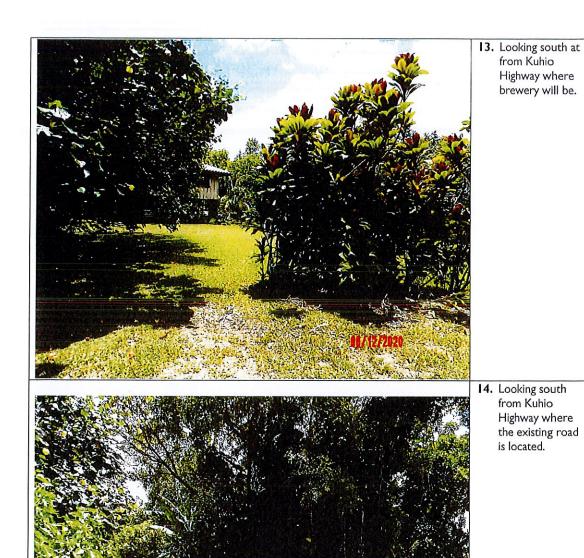


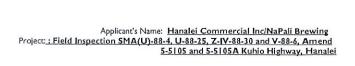


11. Looking east toward Kuhio Highway from rear of the property. Existing house nearyby.

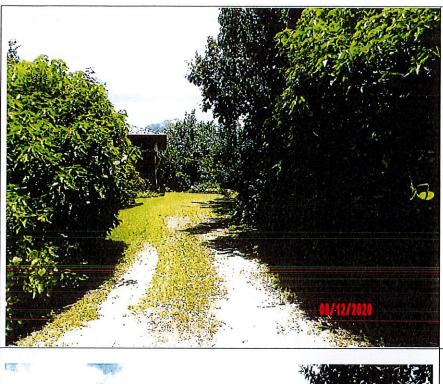


12. Looking east toward Kuhio Highway where brewery will be.





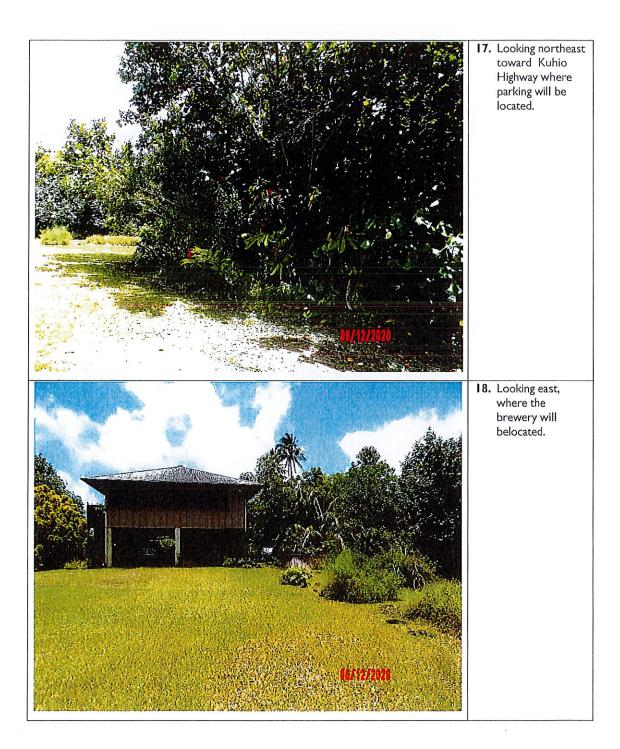
08/12/2020



15. Looking south from Kuhio Highway and existing dwelling is located.



16. Looking south, grass area in from is where the brewery will be located.

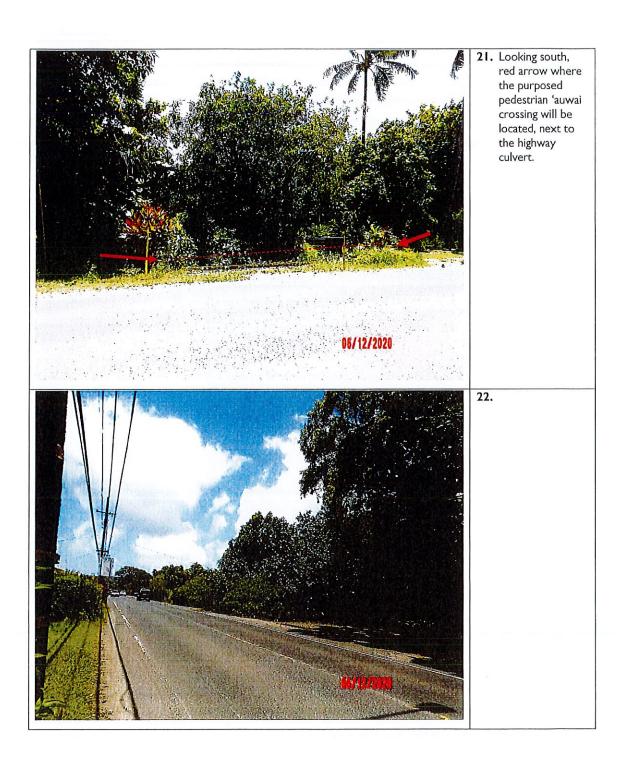


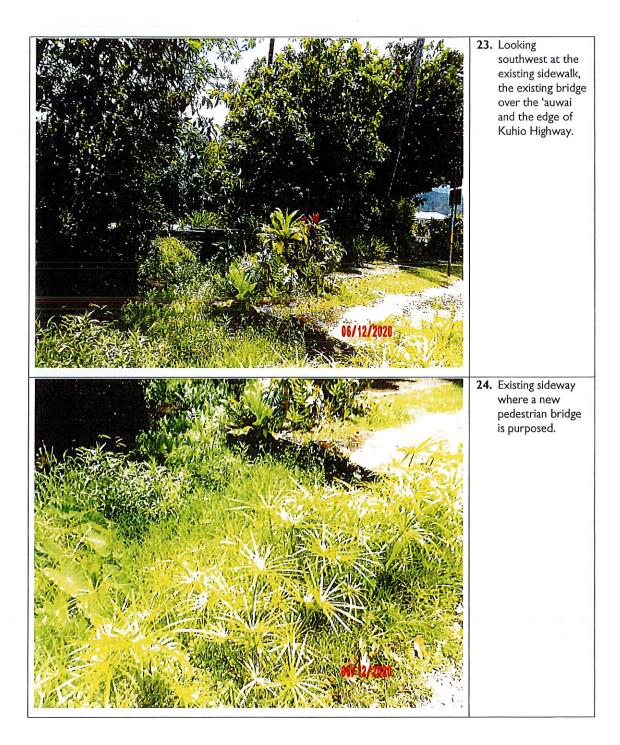


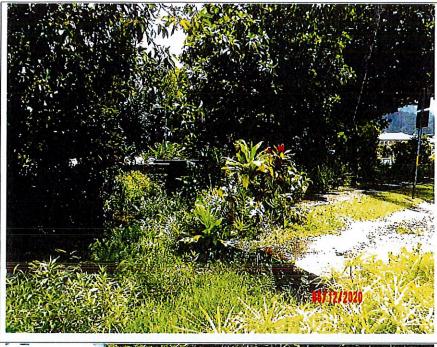
19. From Kuhio
Highway looking
southwest
showing existing
dwellings in the
area.



20. From Kuhio
Highway looking
south showing
existing dwellings
in the area.



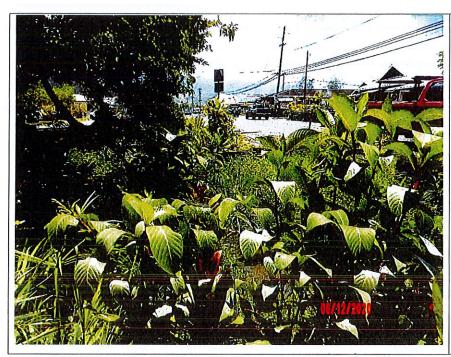




25. Looking southwest at the existing sidewalk, the existing bridge over the 'auwai and the edge of Kuhio Highway.



26. Looking east along Kuhio Highway where sidewalk end and a purposed new pedestrian bridge will cross the preserved 'auwai.



27. Looking west along Kuhio
Highway on the opposite side of the 'auwai where the purposed pedestrian bridge will be located.

Appendix A







STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION KAKUHIHEWA BUILDING 601 KAMORILA BLYD., STE 555 KAPOLEI, HI 96707

March 31, 2020

Michael Moule, Division Chief County of Kaua'i - Department of Public Works Engineering Division 4444 Rice St., Suite 275 Lihue, Hawaii 96766-1340

Dear Mr. Moule:

SUBJECT:

Chapter 6E-10 and 6E-42 Historic Preservation Review – SMA Use Permit Application – SMA(U) -88-4

Use Permit Application – U- 88-25 Zouing Permit Application - Z-IV-88-30 Variance Permit Application – V-88-6

5-5105 and 5-5105A Kuhio Hwy., Hanalei - Amend existing permits

Owner: Hanslei Commercial Inc.

Köloa Ahupua'a, Kona District, Island of Kaua'l

TMK: (4) 5-5-009:008, 009

EVICKT MAI ELVIC TERM BELLOEC MATERIA MERCENT VIC MATERIA COMPANY LEM VICE COMPANY VICE COMPA

POBERT K, MASUDA

IN REPLY REFER TO: Log No.: 2019.02122 Doc. No.: 2003LS31 Archaeology

This letter provides the State Historic Preservation Division's (SHPD's) review of the request to amend the following permits that were approved in 1988: (1) SMA Use Permit (SMA (U)-88-4); (2) a Use Permit (U-88-25); (3) a Zoning Permit (Z-IV-88-30); and (4) a Variance Permit V-88-6 to include the construction of a new two-story commercial building (2,175 sq. ft.) on parcel 008 (Craft Brewery), increase the commercial parking in the East Parking Area within parcel 009, extend the configuration of the driveway within the East Parking Area and construction of a new concrete sidewalk and pedestrian bridge within parcel the East Parking Area located at 5-105 and 5-5105A Kuhio Highway. The SHPD received this submittal on September 20, 2019, Parcel 008 totals 3.985 acres and parcel 009 totals a 0.179-acre area. Subsurface disturbance will include excavation to a maximum of 4 ft.

In 2006, the County of Kaua'i Planning Commission approved an amendment to the original permits which were Special Management Area Use Permit, SMA(U)-2006-1; Project Development Use, Permit PDU-2006-1; and Class IV Zoning Permit Z-IV-2006-1. The owners are proposing to continue further development of parcels 008 and 009. Currently on parcel 008 are seven buildings which are being used for commercial purposes, two parking areas used for the commercial center, and two single-family dwellings (1,266 sq. ft. and 1,213 sq. ft.) used for employee housing, Parcel 009 has no improvements.

Our records indicate that SHPD accepted on July 29, 1988, an archaeological survey report (Kennedy 1988) which included parcel 008. The archaeological survey report identified two historic properties, a buried agricultural deposit consistent with taro pond field or lo'i cultivation (Site 50-30-10-401) and an irrigation ditch or 'auwai (Site 50-30-10-400). In addition, an archaeological data recovery report (Kennedy 1991) was approved on December 13, 1990 and the final was completed in May 1991. Analysis of organic materials collected from subsurface agricultural deposits yielded modem dates consistent with rice paddies dating to the early 20th century (Kennedy 1991).

In October 1994, SHPD requested soil core sampling be conducted prior to parking lot expansion associated with the Hanalei Center Complex in order to obtain additional subsurface data related to Site 50-30-10-401 (October 12, 1994; Log No. 12955, Doc No. 9410NM08). In October 1994, SHPD received a Paleoenvironmental Core Report (Athons 1994) documenting a 4.87-meter-deep core that indicated the only sediment present was beach sands. Based



Mr. Moule March 31, 2020 Page 2

on these results, SHPD concurred that the proposed Hanalei Center parking lot improvements would have "no effect" on significant historic sites (October 25, 1994; Log No. 13012, Doc. No. 9410NM16). In addition, the Hanalei School building (Site 50-30-03-09387) was relocated to parcel 008. It is listed on both the Hawai'i and the National Register of Historic Places.

Based on the information provided and due to the extensive amount of excavation, SHPD has insufficient information to make a determination that the project will not affect surface and/or buried historic properties. SHPD requests that an archaeological field inspection be conducted of the project area by a qualified archaeologist to determine if undocumented historic properties exist in this project area. If undocumented historic properties are identified, SHPD will request that an archaeological inventory survey report be prepared and approved by our office prior to initiation of land altering activities. We look forward to the opportunity to review the results of the identification process.

Upon review of the field inspection report, the SHPD will provide the County with its determination and any mitigation measures, if necessary, to be completed prior to permit issuance.

Please contact Susan Lebo, Archaeology Branch Chief, at Susan A.Lebo@hawaii.gov or at (808) 692-8019 for matters regarding this letter.

Aloha, Alan Downer

Alan S. Downer, PhD Administrator, State Historic Preservation Division Deputy State Historic Preservation Officer

cc: Michael Moule, <u>mmoule@kauai.goy</u>
Jody Galianto, <u>planningdeterminations@kauai.gov</u>
Max Orabaro, Jr., <u>mwg@kauai-low.com</u>



DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

STATE HISTORIC PRESERVATION DIVISION KAKUHIHEWA BUILDING 601 KAMOKILA BLVD, STE 555 KAPOLEI, HAWAII 96707

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

ROBERT K. MASUDA FIRST DEPUTY

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

DEFUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

HRS 6E Submittal Filing Fees

All submittals must have the appropriate filing fee in accordance with HAR §13-275-4 or HAR §13-284-4. All contact fields below must be complete and accurate.

Landowner:	Hanalei Commerc	Hanalei Commercial Inc. and Na Pali Brewing Company LLC agent: Max Graham mwg@kauai-law.com			
	(if privately-o	wned historic property of	n Hawaii Register, HRS §	6E-10)	
Agency: County of Kauai F		lanning Department			
Contact Name: Kaina Hull					
Mailing Address: 4444 Rice Stre		Lihue HI 9666			
Phone: 246-6962		Email: khull@kauai.gov			
Title of Report/Plan: Archaeologi		Field Inspection for Clearinghouse Application – Amendments to Master Permits			
•		SMA(U) -88-4 Use Permit Application- U-88-25 Zoning Permit Application - Z-IV-68-30 Variance Permit Application - V-88-5 5-5105 and 5-5105A Kuhio Hwy., Hanalel - Amend existing			
Ahupua'a: Hanalei		District: Ha	lelea	Island: Kauai	
TMK(s): (4) 5-5-009:008		009			
Contract Firm: Exploration Associ					
		npleted the work on beha	alf of the agency)		
Contact Name: Nancy McMahon Phone: 808-639-6695		D	avalentias assaistas © avilla de se		
Phone: 808-639-6695 En			explorationassolates@outlook.com	л	
x	Check if Field Insp Check if Final Re Archaeological Mo	onitoring Report, no reso	by SHPD (no fee)		
\$25		naeological Monitoring Plan			
\$25		al Disinterment Report			
\$25 \$50		uest from Agency for Determination Letter per HAR §13-275 naeological Assessment (AIS with negative findings)			
\$50		ological Analysis Report			
\$100		naeological Monitoring Report, resources reported			
\$150		naeological Inventory Survey Plan, Archaeological Data Recovery Plan, or Preservation Plan			
\$250	Burial Treatment F	al Treatment Plan (BTP)			
\$450		naeological, Architectural, or Ethnographic SurveyReport			
\$450		haeological Data Recovery Report			
Fee Total: Make check payable to "Hawaii Historic Preservation Special Fund"					
For Office Use (Only:				
Date Received:		Payment Method:			
		Cash	Amount \$		
Log No.:					
		Check No.	Amount \$		
Receipt Issued:		Money Order	A mount &		



(via email: planningdepartment@kauai.gov; khull@kauai.gov)

September 7, 2020

Kaua'i County Planning Commission 4444 Rice Street, Suite A473 Lihu'e, Hawai'i 96766

RE: Hanalei Commercial Company/Na Pali Brewing Company LLC - SMA(U)-2020-7, Class IV Zoning Permit Z-IV-2020-16, and Use Permit U-2020-13

Aloha Chair Nogami-Streufert and Planning Commissioners:

The Wailua-Kapa'a Neighborhood Association (W-KNA) appreciates the opportunity to comment on the applicant's proposal because we have strong concerns about preserving the integrity of zoning and the CZO. We urge you to deny the permits for the brewery, tasting room, restaurant/food trucks, retail sales, and parking lot in Hanalei's Open Zone District. These uses are not allowable, nor compatible with the Open District according to CZO Section 8-2.4(s) and (t).

It is challenging to understand why the Planning Department even accepted this application for discretionary permits since the project is so contrary to the Open zone standards set forth in the CZO.

- 1) We understand that the project is primarily on land that is designated "Natural" and <u>not</u> "Neighborhood Center", therefore such high impact uses are unsuitable, especially in the Special Management Area.
- 2) We believe that the increased land coverage is excessive and that the proposed intensity of commercial uses is unreasonable and inappropriate for the Open District.
- 3) If Commissioners approve these permits, it would set a bad precedent island-wide. Spot zoning is unwise and to the detriment of our communities. Furthermore, the project does not conform with the General Plan, nor with the North Shore Development Plan.
- 4) The brewery, beer-bar, restaurant, parking lot and retail sales, are clearly commercial uses. Therefore, a re-zoning planning process would be the proper approach for up-zoning and would be the best means to assess neighborhood needs.

Thank you for the opportunity to comment. We urge Commissioners to DENY all the requested permits which are clearly contrary to the standards set forth in the CZO.

Sincerely,

Rayne Regush, Chair

As approved by the W-KNA Board of Directors

F. 2.a. 10.

"We treasure our rural community"

340 Aina Uka Street, Kapa'a, Hawai'i 96746 • 821-2837

Serving Residents of the Kawaihau District